

Message Text

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13

ORIGIN EB-11

INFO OCT-01 AF-10 ARA-16 EUR-25 EA-11 NEA-10 ISO-00 OMB-01

H-03 CIAE-00 INR-10 NSAE-00 RSC-01 COME-00 INT-08

TRSE-00 DODE-00 PM-07 L-03 NSC-10 PA-03 PRS-01 SPC-03

SS-15 USIA-15 ACDA-19 IO-15 DOTE-00 FMC-04 SCEM-02

/204 R

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DRAFTED BY:EB:TT:MA:JMGARNER

APPROVED BY:EB:TT:MA:RKBANK

EB:ITTJR:JWALDMANN

OMB:WWHITE

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R 101744Z OCT 73

FM SECSTATE WASHDC

TO AMEMBASSY ABIDJAN

AMEMBASSY ACCRA

AMEMBASSY ADDIS ABABA

AMEMBASSY ANKARA

USINT ALGIERS

AMEMBASSY ATHENS

AMEMBASSY BANGKOK

AMEMBASSY BEIRUT

AMEMBASSY BELGRADE

AMEMBASSY BERN

AMEMBASSY BOGOTA

AMEMBASSY BONN

AMEMBASSY BRASILIA

AMEMBASSY BRUSSELS

AMEMBASSY BUCHAREST

AMEMBASSY BUENOS AIRES

AMEMBASSY CANBERRA

AMEMBASSY CARACAS

AMEMBASSY COPENHAGEN

AMEMBASSY JAKARTA

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AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE
AMEMBASSY HELSINKI
AMEMBASSY ISLAMABAD
AMEMBASSY JIDDA
AMEMBASSY KINGSTON
AMEMBASSY KINSHASA
AMEMBASSY KUALA LUMPUR
AMEMBASSY KUWAIT
AMEMBASSY LAGOS
AMEMBASSY LIMA
AMEMBASSY MADRID
AMEMBASSY LISBON
AMEMBASSY LONDON
AMEMBASSY MANAGUA
AMEMBASSY MANILA
AMEMBASSY MEXICO
AMEMBASSY MOGADISCIO
AMEMBASSY MONROVIA
AMEMBASSY MONTEVIDEO
AMEMBASSY MOSCOW
AMEMBASSY NAIROBI
AMEMBASSY NEW DELHI
AMEMBASSY NICOSIA
AMEMBASSY OSLO
AMEMBASSY OTTAWA
AMEMBASSY PANAMA
AMEMBASSY PARIS
AMEMBASSY PRAGUE
AMEMBASSY PORT OF SPAIN
AMEMBASSY PRETORIA
AMEMBASSY QUITO
AMEMBASSY RABAT
AMEMBASSY REYKJAVIK
AMEMBASSY ROME
AMEMBASSY SANTIAGO
AMEMBASSY SANTO DOMINGO
AMEMBASSY SEOUL
AMEMBASSY SINGAPORE
AMEMBASSY SOFIA
AMEMBASSY STOCKHOLM
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AMEMBASSY TAIPEI
AMEMBASSY TANANARIVE
AMEMBASSY TEGUCIGALPA
AMEMBASSY TEHRAN
AMEMBASSY TEL AVIV
AMEMBASSY TOKYO
AMEMBASSY TUNIS
AMEMBASSY VALLETTA

AMEMBASSY VIENNA
AMEMBASSY WARSAW
AMEMBASSY WELLINGTON
INFO USMISSION OECD PARIS

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C O R R E C T E D C O P Y (OMISSION LINE 20 PARA 1)

E.O. 11652:GDS
TAGS:ETRN, ENRG
SUBJECT:CARGO PREFERENCE LEGISLATION FOR OIL IMPORTS:
SHIPPING

BEGIN UNCLASSIFIED:

1. GOVERNMENT WITNESSES ARE SCHEDULED TO TESTIFY BEFORE HOUSE MERCHANT MARINE AND FISHERIES COMMITTEE OCTOBER 9-11 AND ALSO POSSIBLY OCTOBER 16 ON H.R. 7304 AND H.R. 8193, BILLS "TO REQUIRE THAT A PERCENTAGE OF UNITED STATES OIL IMPORTS BE CARRIED ON UNITED STATES FLAG VESSELS." THESE BILLS, WHICH ARE IDENTICAL, WOULD"EXTEND SECTION 901(B)(1) OF THE MERCHANT MARINE ACT, 1936, AS AMENDED (46 USC 1241), TO REQUIRE THAT THE APPROPRIATE GOVERNMENT AGENCIES TAKE SUCH STEPS AS MAY BE NECESSARY AND PRACTICAL TO ASSURE THAT AT LEAST 20 PERCENT OF THE GROSS TONNAGE OF ALL PETROLEUM AND PETROLEUM PRODUCTS IMPORTED INTO THE UNITED STATES ON OCEAN VESSELS, INCLUDING MOVEMENTS (I) DIRECTLY FROM ORIGINAL POINT OF PRODUCTION AND (II) FROM SUCH ORIGINAL POINT TO INTERMEDIATE POINTS FOR TRANSSHIPMENT OR REFINEMENT AND ULTIMATE DELIVERY INTO THE UNITED STATES, SHALL BE TRANSPORTED ON PRIVATELY OWNED UNITED STATES FLAG

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COMMERCIAL VESSELS TO THE EXTENT SUCH VESSELS ARE AVAILABLE AT FAIR AND REASONABLE RATES FOR UNITED STATES FLAG COMMERCIAL VESSELS IN SUCH CARGOES BY GEOGRAPHICAL AREAS." THE BILLS ALSO PROVIDE THAT THE "QUANTITY REQUIRED TO BE CARRIED ON UNITED STATES FLAG COMMERCIAL FLAG VESSELS WOULD BE INCREASED TO 25 PERCENTUM AFTER JUNE 30, 1975 AND TO 30 PERCENTUM AFTER JUNE 30, 1977, IF THE SECRETARY OF COMMERCE SHALL ON DECEMBER 31 PRECEDING EACH SUCH DATE DETERMINES THAT THE UNITED STATES TONNAGE EXISTING OR ON ORDER AND SCHEDULED TO BE DELIVERED BY SUCH DATE WOULD BE ADEQUATE TO CARRY SUCH QUANTITY."

END UNCLASSIFIED

2. THE ADMINISTRATION CONTINUES TO OPPOSE CARGO

PREFERENCE LEGISLATION FOR OIL IMPORTS. DEPARTMENT OF STATE WITNESSES WILL TESTIFY AGAINST ADOPTION OF THESE BILLS ON OCTOBER 10 ARGUING, AMONG OTHER THINGS, THAT ADOPTION OF BILLS (1) WOULD RESULT IN UNNECESSARY HIGHER COSTS TO AMERICAN CONSUMERS OF IMPORTED PETROLEUM AND PETROLEUM PRODUCTS; (2) REDUCTION IN FLEXIBILITY FOR CHARTERING VESSELS WOULD HAVE AN ADVERSE EFFECT ON AVAILABILITY AND SECURITY OF SUPPLY OF US PETROLEUM AND PETROLEUM PRODUCTS; AND (3) THEIR ADOPTION WOULD BE UNDESIRABLE PRECEDENT IN U.S. SHIPPING POLICY AND WOULD BE COUNTER TO OUR LONG-ESTABLISHED FOREIGN ECONOMIC POLICIES, AS EMBODIED IN OUR FCN TREATIES. COMMERCE (MARAD), INTERIOR AND TREASURY WILL ALSO TESTIFY AGAINST ADOPTION OF THESE BILLS.

3. COUNSEL TO HOUSE MERCHANT MARINE AND FISHERIES COMMITTEE INFORMED DEPARTMENT THAT PRIVATE SECTOR TESTIMONY ON BILLS IS EXPECTED BEFORE YEAR'S END, BUT EXACT HEARING DATES ARE AS YET UNSCHEDULED.

4. SENATE EQUIVALENT TO H.R. 7304 AND H.R. 8193 IS S.2089. NO HEARINGS ARE PRESENTLY SCHEDULED ON S.2089 FOR CY 1973. KISSINGER

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Message Attributes

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Disposition Date: 28 MAY 2004
Disposition Event:
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Disposition Reason:
Disposition Remarks:
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EO Systematic Review
30 JUN 2005

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TAGS: ETRN, ENRG
To: ABIDJAN MULTIPLE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005